

Message Text

LIMITED OFFICIAL USE

PAGE 01 STOCKH 05227 160828Z

15

ACTION TRSE-00

INFO OCT-01 ARA-06 EUR-12 EA-07 ISO-00 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00 CIEP-01

SP-02 STR-04 LAB-04 SIL-01 SAM-01 OMB-01 NSC-05 SS-15

L-03 H-02 IO-10 /098 W

----- 125747

R 160500Z OCT 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 5929

INFO AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

LIMITED OFFICIAL USE STOCKHOLM 5227

E.O. 11652: N/A

TAGS: EAID, EFIN, SW

SUBJECT: INTERNATIONAL FINANCE CORPORATION (IFC) CAPITAL
REPLENISHMENT

REF: STATE 242712

1. EMBOFF EXPLAINED USG VIEWS ON IFC CAPITAL REPLENISHMENT TO
MFA/COMMERCE OFFICER R. ANDREEN, WHO ATTENDED IMF/IBRD SEPTEMBER
MEETING IN WASHINGTON AND WHO HAS RESPONSIBILITY FOR IFC,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STOCKH 05227 160828Z

BER MEETING IN WASHINGTON AND WHO HAS RESPONSIBILITY FOR IFC,

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) AND WORLD BANK QUESTIONS. WE STRESSED DURING CONVERSATION POINTS CONTAINED IN PARA II REFTEL. TENTATIVE GOS RESPONSE WAS NOT TOO SUPPORTIVE OF OUR IFC OBJECTIVES.

2. ANDREEN SAID GOS HAS NOT YET CONSIDERED QUESTION OF IFC CAPITAL REPLENISHMENT AND THUS HE COULD COMMENT ONLY PRIVATELY. NEVERTHELESS, HE SAID, GOS WILL NEED FIRST TO LOOK AT RECOMMENDATIONS WHICH IFC WILL BE PUTTING FORTH IN THIS RESPECT. HE DID MAKE SEVERAL OBSERVATIONS INDICATING GOS RESERVATIONS ABOUT IFC: (1) IFC IS LOOKED UPON BY SWEDES AS LARGELY "COMMERCIAL" AND NOT "DEVELOPMENT" ORGANIZATION, ALTHOUGH HE AGREED THAT PRIVATE INVESTMENTS WERE IMPORTANT TO DEVELOPMENT OF LDC'S; (2) COMMERCIAL INVESTMENTS SOMETIMES DO NOT CORRESPOND WITH THE SOCIAL NEEDS OF THE RECIPIENT COUNTRIES, E.G. IFC CANNOT INVEST IN LDC GOVERNMENT-OWNED FIRMS; (3) SOCIAL DEMOCRATIC PARTY CONGRESS PROCEEDINGS RECENTLY HAD AN EXCHANGE INVOLVING CRITICISM OF THE WORLD BANK AND THUS SWEDISH SUPPORT FOR IFC MAY POLITICALLY BE EVEN MORE VULNERABLE; AND (4) GOS BELIEVES IT MUST LISTEN TO AND CONSIDER CAREFULLY LDC'S DESIRE FOR A GREATER DECISION-MAKING ROLE IN IFC BEFORE GOS CAN DECIDE ON REPLENISHMENT OF CAPITAL. HE ADDED THAT PRESIDENT MCNAMARA HAS ISSUED HELPFUL POLICY GUIDANCE FOR ASSISTANCE PROGRAMS FOR DEVELOPING COUNTRIES BUT GOS HAS A FEELING THAT IMPLEMENTATION OF ASSISTANCE BY WORLD BANK HAS NOT ALWAYS BEEN CONSISTENT WITH THAT POLICY.

3. COMMENT. EMBASSY HAS IMPRESSION GOS, ALTHOUGH POSSIBLY RELUCTANTLY, WILL SUPPORT SUCH FINAL DECISION AS IFC MAY REACH ON REPLENISHMENT OF CAPITAL, BUT IT WILL NOT BE IN FOREFRONT CALLING FOR EXPANSION. GOS BUDGET PROCEEDINGS REQUIRE RECOMMENDATIONS TO BE MADE THIS FALL WITH DISCUSSIONS TAKING PLACE AFTER TURN OF YEAR. THUS, UNLESS IFC DECISION IS TAKEN PROMPTLY, ADDITIONAL GOS CONTRIBUTIONS TO IFC CAPITAL WOULD BE DELAYED ONE YEAR. SWEDEN'S PRESENT SHARE IN IFC IS \$1.1 MILLION (1.3 PERCENT OF SUBSCRIPTION).
STRAUSZ-HUPE'

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC GROWTH, LESS DEVELOPED COUNTRIES, CAPITAL (FINANCE), DEVELOPMENT PROGRAMS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 16 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STOCKH05227
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750358-0820
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751049/aaaabryp.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 242712
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 24 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 APR 2003 by ShawDG>; APPROVED <28 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INTERNATIONAL FINANCE CORPORATION (IFC) CAPITAL REPLENISHMENT
TAGS: EAID, EFIN, SW, XX, IFC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006